

County Fliers Updates

The Research & Analysis Bureau is currently in the process of updating our county fliers to provide you with the most timely and local economic and demographic information available. The county fliers provide information on the local labor force, population by age, race, and gender, employment by industry, per capita personal income, number of farms and ranches by category, and more. They also include a resources section with contact information for local agencies, schools, and newspapers.

Our most recently updated fliers include Beaverhead, Madison, Big Horn, Roosevelt, and Rosebud Counties. Informational fliers for Richland and Valley Counties, as well as a statewide flier, are also available. Fliers for Carbon, Stillwater, and Missoula Counties will follow shortly.

To download these fliers, visit our website at www.ourfactsyourfuture.org, and click "Publications" on the left sidebar menu. From the drop-down menu, select "State & County Fliers," and then choose a county. If you need information on a county that has not yet had its flier updated, please contact the Research and Analysis Bureau at (800) 541-3904.

Unemployment by Statistical Area

Not seasonally adjusted

Metropolitan Statistical Areas

	January 2005*	January 2004
Billings	4.1%	4.1%
Great Falls	5.2%	5.1%
Missoula	4.8%	4.9%

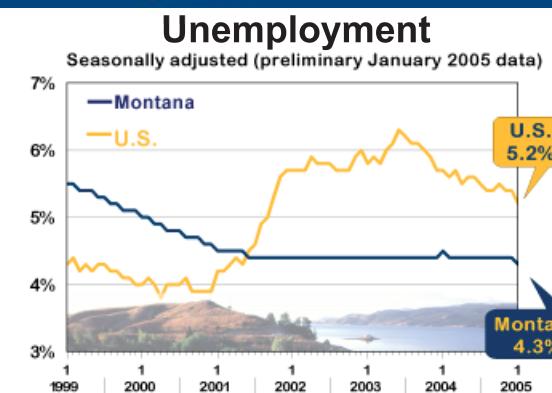
Micropolitan Statistical Areas

	January 2005*	January 2004
Bozeman	3.8%	4.1%
Butte-Silver Bow	5.8%	6.4%
Havre	5.5%	5.0%
Helena	5.1%	5.1%
Kalispell	6.9%	7.6%

* 2005 rate preliminary

MONTANA Economy at a Glance

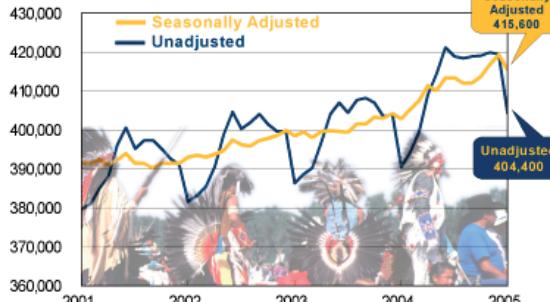
Editor: Robert C. Marvin



Montana's seasonally-adjusted unemployment rate fell slightly to 4.3% in January 2005 from 4.4% in December 2004. The U.S. rate also fell to 5.2% for January 2005. Please note that we have implemented a new methodology this year, which has caused us to revise our historical statewide unemployment rates.

Nonfarm Employment Series

January 2001 - January 2005



Montana's seasonally-adjusted nonagricultural payroll employment was up 12,700 jobs (3.2%) over-the-year for January. The largest gains were in Leisure and Hospitality, which was up by 4,300 jobs (8.2%); Construction, up 1,900 jobs (8.2%); and Total Government, up 1,700 jobs (2.0%). Natural Resources and Mining also showed significant gains, increasing by 17.6% (1,200 jobs) over-the-year.

Employment by Industry

Industry Employment (in thousands)	Jan. 2005	Jan. 2004	Net Change	Percent Change
Total Non-Agricultural	415.6	402.9	12.7	3.2%
Natural Resources & Mining	8.0	6.8	1.2	17.6%
Construction	25.2	23.3	1.9	8.2%
Manufacturing	19.2	19.0	0.2	1.1%
Trade, Transportation, Utilities	86.1	85.8	0.3	0.3%
Information*	7.7	7.6	0.1	1.3%
Financial Activities	21.0	20.8	0.2	1.0%
Professional & Business Services	32.1	31.8	0.3	0.9%
Education & Health Services	54.8	53.3	1.5	2.8%
Leisure & Hospitality	57.0	52.7	4.3	8.2%
Other Services*	17.3	16.3	1.0	6.1%
Total Government	87.2	85.5	1.7	2.0%

*These series are not seasonally adjusted

Unemployment by County

Not seasonally adjusted

	January 2005*	January 2004
UNITED STATES	5.7%	6.3%
MONTANA	5.5%	5.7%
Beaverhead	4.9%	5.1%
Big Horn	11.0%	12.0%
Blaine	5.7%	6.2%
Broadwater	5.8%	6.0%
Carbon	4.5%	4.2%
Carter	4.1%	3.6%
Cascade	5.2%	5.1%
Chouteau	5.2%	4.8%
Custer	5.7%	5.7%
Daniels	4.5%	5.1%
Dawson	4.5%	5.1%
Deer Lodge	8.0%	8.2%
Fallon	3.6%	3.6%
Fergus	7.8%	7.3%
Flathead	6.9%	7.6%
Gallatin	3.8%	4.1%
Garfield	6.1%	5.3%
Glacier	9.9%	10.2%
Golden Valley	5.7%	10.1%
Granite	6.6%	7.9%
Hill	5.5%	5.0%
Jefferson	5.2%	5.6%
Judith Basin	6.4%	6.3%
Lake	7.6%	8.2%
Lewis & Clark	5.1%	5.0%
Liberty	6.0%	5.8%
Lincoln	11.3%	13.2%
McCone	4.8%	4.8%
Madison	5.2%	6.4%
Meagher	6.8%	7.8%
Mineral	8.5%	8.5%
Missoula	4.8%	4.9%
Musselshell	5.1%	5.7%
Park	5.5%	5.9%
Petroleum	7.1%	8.0%
Phillips	6.2%	6.6%
Pondera	6.6%	6.7%
Powder River	5.2%	7.4%
Powell	8.5%	7.7%
Prairie	6.1%	8.4%
Ravalli	7.2%	7.6%
Richland	4.1%	4.5%
Roosevelt	8.0%	6.5%
Rosebud	6.3%	6.3%
Sanders	8.5%	9.3%
Sheridan	4.6%	5.3%
Silver Bow	5.8%	6.4%
Stillwater	4.2%	4.3%
Sweet Grass	2.8%	3.3%
Teton	5.4%	5.4%
Toole	4.1%	4.1%
Treasure	5.1%	4.7%
Valley	5.5%	5.0%
Wheatland	6.7%	6.9%
Wibaux	4.1%	5.0%
Yellowstone	4.0%	4.0%

* 2005 rate preliminary

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Phone: (406) 444-2430 Fax: (406) 444-2638 TDD: (406) 444-0532

January 2005

Montana Economy at a Glance



The Economic Impact of Montana's Healthcare Industries

By Brad Eldredge, Economist

Montana's healthcare industries provide essential and sometimes lifesaving services to the state's population. While all of us are aware of this, what is not as apparent is the economic impact of healthcare providers. This article will outline the size of the healthcare sector, and assess its economic impact on Montana's overall economy.

Healthcare is classified into three major industry sectors under the North American Industrial Classification System (NAICS). These sectors are ambulatory healthcare (i.e. doctors' and dentists' offices), hospitals, and nursing and residential care facilities. Table 1 shows the total employment and payroll of each of these sectors for the most recent twelve months of available data (July 2003 through June 2004).

Table 1: Montana healthcare industry statistics

Sector	Employment	Payroll (Millions)
Ambulatory Healthcare	13,803	523
Hospitals	20,012	733
Nursing and Residential Care	9,928	190
Total	43,743	1,446

As can be seen from these statistics, the healthcare industries are substantial employers in Montana. In fact, these industries make up 11.0 percent of all payroll employment and 13.3 percent of all wages paid in the state.

Healthcare's share of employment and wages is likely to increase in the future. According to industry growth projections produced by the Research and Analysis Bureau, healthcare industries' employment was expected to grow a combined 29.7 percent between 2002 and 2012. This is more than twice the growth rate of the state as a whole, which is projected to have 13.1 percent more jobs by 2012.

Demographics will drive these increases in healthcare employment. Healthcare demand is correlated with population growth and also increases with the age of the population. The Research and Analysis Bureau assumed that the state's population will continue to increase, reaching 1,000,000 by 2012. According to 2003 Census Bureau estimates, Montana is the sixth "oldest" state in the nation, with a median age of 39.0. The relatively high median age of Montana's population also increases the demand for healthcare services.

Beyond their direct impact as employers, healthcare industries have an indirect impact on the state's economy. The magnitude of this indirect impact can be expressed in the form of multipliers. Multipliers represent how many additional jobs are created by each healthcare job. For example, hospital workers use a portion of their income to buy goods and services produced inside Montana, thus supporting other Montana workers. These workers, in turn, spend some of their income on Montana goods and services,

supporting still other workers. The cumulative effect of this circulation of dollars through the economy results in a multiplier effect. In a similar manner, hospitals themselves purchase some of their supplies and services from vendors inside the state, which supports more employment. The multipliers listed in tables 2, 3, and 4 were developed using regional input-output modeling using the IMPLAN software package.

Table 2: Ambulatory Healthcare Multipliers

<u>Jobs from home healthcare services</u>	
Home healthcare services employment	1,898
Home health care services multiplier	1.24
Jobs created in other businesses	451
Total Jobs	2,349
 <u>Jobs from offices of physicians, dentists, etc.</u>	
Offices of physicians, dentists, etc. employment	8,916
Offices of physicians, dentists, etc. multiplier	1.68
Jobs created in other businesses	6,041
Total Jobs	14,957
 <u>Jobs from other ambulatory health care services</u>	
Other ambulatory services employment	2,243
Other ambulatory services multiplier	2.23
Jobs created in other businesses	2,757
Total Jobs	5,000

Table 3: Hospital Multiplier

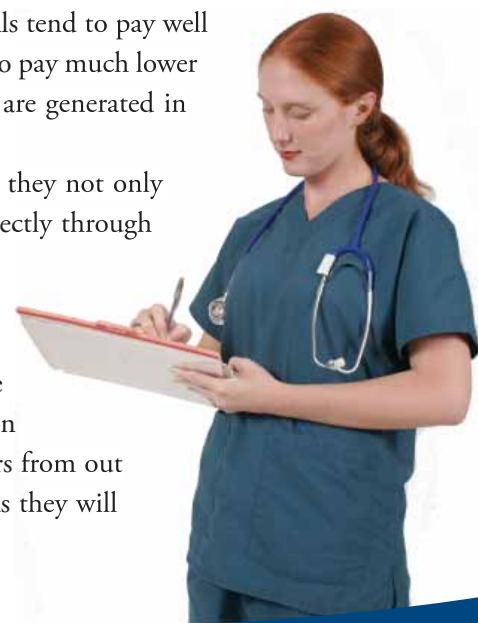
<u>Jobs from Hospitals</u>	
Hospital employment	19,123
Hospital multiplier	2.03
Jobs created in other businesses	19,774
Total Jobs	38,897

Table 4: Nursing Home Multiplier

<u>Jobs from nursing and residential care facilities</u>	
Nursing & residential care facilities employment	9,704
Nursing & residential care facilities multiplier	1.36
Jobs created in other businesses	3,537
Total Jobs	13,241

The results show that Montana's healthcare sector has a significant impact on the state's economy. Hospital employment has a multiplier of 2.03, meaning that for each hospital employee, 1.03 additional jobs are generated somewhere else in the economy. The high hospital multiplier is not surprising given that hospitals tend to pay well compared to other industries. Nursing and residential care facilities, which tend to pay much lower wages, have a correspondingly lower multiplier of 1.36, meaning that .36 jobs are generated in other parts of the economy for each nursing and residential care job.

Healthcare industries contribute significantly to Montana's economy because they not only employ many people in their own right, they also support additional jobs indirectly through multiplier effects. Some would argue that healthcare does not qualify as one of Montana's basic industries, since the industry serves mainly in-state residents. With perhaps a few exceptions, this assertion is true. However, many of the services provided by healthcare industries in the state are reimbursed with Medicare or Medicaid payments, a portion of which are federal dollars. In other words, even though the healthcare industry serves mainly Montanans, it still brings in dollars from out of state. It is worthwhile to continue paying attention to healthcare industries as they will continue to play an increasingly large role in the state's overall economy.



MONTANA ECONOMY AT A GLANCE - JANUARY 2005

Coming Next Month...



Economy at a Glance Quarterly Edition

Montana's Research and Analysis Bureau is pleased to announce the upcoming release of its expanded quarterly edition of Economy at a Glance. This edition will highlight labor market information gathered by the Quarterly Census of Employment and Wages program (QCEW).

The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by state unemployment insurance. Publicly available information includes data on the number of establishments, monthly employment, and quarterly wages by NAICS (North American Industry Classification System) codes and by county.

The quarterly Economy at a Glance will continue to provide its regular features, such as county unemployment rates and the nonfarm employment series.

R&A Staff Update

The Research and Analysis Bureau would like to introduce our two newest staff members, Susan Ryan and Tessa Ellison.

Susan is a Statistical Technician in the Current Employment Statistics (CES) and QCEW programs. Originally from Grass Range, Montana, Susan also lived in Billings and Bozeman before moving to Helena 19 years ago. Before joining R&A, Susan worked for the state at the Business and Occupational Licensing Bureau, and then at Risk Management and Tort Defense. Prior to those positions, she worked in the grocery business for 23 years.

Tessa is also a Statistical Technician who works in the Prevailing Wage and Benefits Survey programs. Tessa is a Helena native, who has also lived in Billings and spent summers in Tacoma, Washington. She has also worked for the Department of Revenue, and as a Sales Associate at Maurice's and Dillard's.

Welcome aboard Susan and Tessa.

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P.O. Box 1728
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